

NOTICE OF DEFAULT

October 7, 2008

BY OVERNIGHT DELIVERY AND FIRST CLASS MAIL

Eastern Market Venture, Inc.
c/o Site Realty Group
2141 Industrial Parkway
Silver Spring, MD 20904

Eastern Market Venture, Inc.
2450 Virginia Avenue, NW, Suite E-216
Washington, D.C. 20037

RE: Lease and Property Management Agreement for Eastern Market

Dear Sirs:

TAKE NOTICE that the following are each an Event of Default by Eastern Market Ventures, Inc. ("EMV") under the Lease and Property Management Agreement dated December 21, 2001, as amended, (the "Agreement"):

1. EMV entered into a subcontract with CPL Company with an annual, aggregate value in excess of \$25,000 in the 2007 calendar year without the prior written approval of the District in violation of Section 6 of the Agreement;
2. EMV entered into a subcontract with MPO Jeffery A. Clay with an annual, aggregate value in excess of \$25,000 in the 2007 calendar year without the prior written approval of the District in violation of Section 6 of the Agreement;
3. EMV failed to obtain at least three written quotes for security services prior to awarding a contract to Jeffery A. Clay for his services in excess of \$25,000 in violation of Section 7 of the First Amendment and Extension of Lease and Property Management Agreement dated January 1, 2003;
4. EMV failed to exercise all reasonable efforts to comply and to compel its subtenants to comply with applicable sales and use tax laws in violation of Section 5 of the Agreement;
5. EMV failed to exercise all reasonable efforts to comply and to compel its subtenants to comply with applicable laws relating to business licenses in violation of Section 5 of the Agreement;
6. EMV failed to exercise reasonable efforts to insure that its sublessees, vendors and subcontractors procured and maintain adequate liability insurance in violation of Section 13 of the Agreement;
7. EMV's domestic, non-profit, corporate status is currently revoked and has in the past been revoked, and thus EMV has failed to maintain its status throughout the

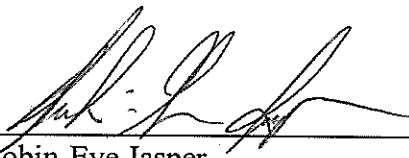
- term of the Agreement as a non-profit corporation in compliance with all Applicable Laws in violation of Section 20 of the Agreement;
8. EMV has failed to make the mandatory biannual filings with DC Department of Consumer and Regulatory Affairs during the term of the Agreement as required for a non-profit corporation in compliance with all Applicable Laws in violation of Section 20 of the Agreement;
 9. EMV is not registered with the DC Office of Tax and Revenue, and thus EMV has failed to maintain its status throughout the term of the Agreement as a non-profit corporation in compliance with all Applicable Laws in violation of Section 20 of the Agreement;

THIS CORRESPONDENCE CONSTITUTES THE DISTRICT'S WRITTEN NOTICE OF DEFAULT TO EMV.

IN THE EVENT EACH OF THE EVENTS OF DEFAULT IS NOT CURED WITHIN THIRTY (30) DAYS FROM THE DATE OF THIS NOTICE, THE DISTRICT SHALL HAVE THE OPTION TO TERMINATE THE AGREEMENT.

Nothing contained in this Notice of Default shall be deemed or construed as a waiver of any other defaults, including defaults provided in any previous notices or correspondence, or any other rights, powers, privileges or remedies which the District may have against EMV; the District hereby expressly reserves all of its rights, powers, privileges, and remedies under this Notice to Default, the Agreement, and as provided by law.

DISTRICT OF COLUMBIA
by and through its
Office of Property Management



Robin-Eve Jasper
Acting Chief Property Management Officer

REJ/sm